

August 27, 2007

The Common Council met as the Water Utility Board at 7:00 p.m. on the above date in the Meeting Room at City Hall Annex with Mayor Knowles presiding and members Askren, Tucker, and Curtis attending. Board members Rueger and Cooper were not present. Others attending were Attorney Higgins; Chief Beloit; Asst. Chief Harms. Comm. Epison; Supt. Givens; Andy and Nancy Hoehn; Roy Maynard; Cecil Waters; Becky Higgins; Jim Powers; Larry Williams; Ed and Glenda Adams; Kay Kilgore; Mike Menke – Local 136; Ann Blackburn; Sis Claxton; Dave and Judy Whitten; Geneva James; Tom Hogan and Dick Honeybrink – Johnson Controls, Inc.; Regis Palmer – A & R Environmental; Mike Labitzke; Tiffani Thompson – Mount Vernon Democrat; and arriving during the meeting, Supt. Gray.

Mayor Knowles called the meeting to order by stating members were either mailed or hand carried copies of the minutes of their previous meeting and by asking if there were any corrections or additions. She added if not, she entertains a motion to waive their reading and to approve the minutes as presented. Board member Askren moved the reading of the minutes be waived and they be approved as presented. Seconded by Board member Curtis. Mayor Knowles stated all those in favor of the motion should signify in the affirmative; and following the vote, she reported the motion carried unanimously.

Mayor Knowles requested action on the claims presented. Board member Askren moved the claims presented be allowed for payment. Seconded by Board member Tucker. Mayor Knowles stated all those in favor of the motion should signify in the affirmative; and following the vote, she reported the motion carried unanimously.

*****CLAIMS*****

Mayor Knowles stated they will now hear the report of the Water Superintendent.

Board member Tucker stated he spoke with Supt. Gray earlier in the day and there is a problem at the plant, lines are stopped up. He added a camera was sent into the lines and verified that they were indeed clogged. He stated they are accounting for the pressure problems they are experiencing at the plant. He added Supt. Gray always had suspected there was an issue there, but folks kept telling him there wasn't; come to find out, there was. He stated they have done some drilling as well, on the KROFTA filter.

Board member Curtis asked if the clog is past the filter ?

Mayor Knowles asked if it affects the water coming in or going out ?

Board member Curtis replied going out.

Board member Tucker stated there were workers on site today working on the problem, apparently they are done yet, as Supt. Gray had planned to attend the meeting.

Mayor Knowles asked if there were any questions ?

There were none.

Mayor Knowles stated they have the Financial Report before them and any questions could be directed to Clerk-Treasurer Wolfe.

Mayor Knowles asked if the Clerk-Treasurer had any Communications for the Board ? Clerk-Treasurer Wolfe replied not at this time.

Supt. Gray arrived at the meeting.

Mayor Knowles asked if he would like to address the Board ?

Supt. Gray approached the podium and stated the situation currently is supply being less than the demand, there is no water in the towers. He added the filters, remarkably, are running well, very well. He then stated there is a 16" line that runs from the filter to the clearwell, when chemicals are added over time, a chemical reaction occurs at the intakes which has reduced the line to essentially a 6" line. He added they have snaked the pipe out, and hopefully the crisis should be over in a few days. The city is almost out of water.

Supt. Gray continued his report by stating the water department has a rental/service agreement with Data Design that expires August 30, 2007. He stated the department does not own the computer they are working on and Data Design wants it back. He added this computer is used to run the bills and they have only been running parallel systems for one month. He stated he contacted Charlie Pride with State Board of Accounts and he indicated that it is up to the city how long they choose to run parallel systems, when the city is comfortable. He then stated there are some bugs in the new system, therefore, he would really like to extend the agreement.

Board member Askren asked the cost and for how long ?

Supt. Gray replied he hates to spend the extra money, but he would like to run the systems parallel a little longer, at least through the next audit.

Board member Curtis stated he feels it would be a major risk NOT to run both systems.

Mayor Knowles stated Supt. Gray could possibly negotiate a time frame with Data Design.

Supt. Gray replied he can try for three or six months; the systems really is a dinosaur.

Board member Curtis stated he would feel more comfortable running both systems for a minimum of three months.

Supt. Gray he agrees and added Data Design would probably like to see something writing, as would he.

Mayor Knowles stated she has it in writing from Mr. Pride – and he indicates if the city is comfortable, that is fine with the State Board of Accounts.

Board member Curtis added problems could arise down the road, and this extension would really help in that case. He then suggested Supt. Gray take Mayor Knowles' letter into negotiations with Data Design.

Attorney Higgins agreed that could help in negotiations for a three month service contract.

Mayor Knowles again stated, she does have it in writing.

Supt. Gray agreed to try that in negotiations.

Mayor Knowles asked if there were any questions ?

Supt. Givens questioned the service agreement, as sewer could pay half of that as well.

Supt. Gray replied the cost for one year would be \$9,800.00.

Supt. Givens stated for three months, the sewer could pay half.

Mayor Knowles reminded Supt. Givens that this issue came before the Board of Works previously and they decided they did not want to pursue the agreement. She added they can discuss this again with the Board on Thursday. She then asked if there were any other questions ?

There were none.

Mayor Knowles stated on the Legal portion of the Agenda is discussion/possible action on the filter bids.

Attorney Higgins suggested that items A,C, and D actually should be discussed together. Mayor Knowles stated that being the case, they will now hear from Mike Menke, with Local 136.

Mr. Menke handed the Board a Resolution, which Mayor Knowles read aloud.

Mr. Menke then stated said Resolution evolved as a result of their last meeting, and as the Board can see, water meters do fall under the plumbing license code. He added he would like the Board to consider passage of this Resolution so that in the future, they will all be on the same page. He stated the Board will also notice city employees are excluded. He then asked if there were any questions ?

There were none.

Mayor Knowles then stated they will move on with the rest of the Legal portion of the Agenda.

Attorney Higgins stated, to refresh everyone's mind, bids on the filters were received awhile ago and they have since been put on hold pending the scope of the project, the overall water improvement project, which led to JCI and the PDA contract, and what work they can do under that PDA. She added the Keck Booster Station design, etc. was not in the first agreement, but they are now ready to proceed with the bid package on that project, of which the Utility Board chose Option #2. Again, she stated, the first contract is ready to move forward with the bid package, and they also need to look at the overall water project, meaning getting the plant to capacity. She also stated they want to look at getting the plant to its desired capacity and consider future capacity as well. She stated this could be addressed at this time as getting a design now would be cheaper in the long run. She added they had also had discussions with Aventine and if they go with the port, what will their capacity be ? She stated early discussion indicated around 30 Mg/month, which would make them the largest water user of the city supply. She then stated in more recent discussions, that figure had been adjusted to 1.5Mg/day, can the plant do that, can they moved forward with Aventine Phase 1 ? She wondered if they plant can operate at capacity as designed ?

Asst. Chief Harms left the meeting.

Attorney Higgins continued by stating, after Supt. Gray's report this evening, it is apparent that things not done at the plant are restricting its capacity even now, there are issues now, and fixing these issues would benefit everyone, not just Aventine, but serve everyone. She stated Aventine has made an offer to help the city fix these issues now, to assist the city with the entire estimated cost of these repairs (\$2.5M). She added JCI indicates these same improvements could help the city recoup the cost to make them, but Aventine has offered a short term loan for the entire amount to get the city going on these

repairs/remediation; and once bonding is done, it would pay off the \$2M and Aventine would donate the additional \$500,000 to the city.

Mayor Knowles questioned how the Utility Board wished to proceed ?

Board member Askren asked that Tom Hogan approach for some explanation.

Mr. Hogan approached the podium and stated once again, he is honored to be present and hopefully clarify the project further for the Board. He stated the PDA encompasses the engineering design for the original capacity at the plant, funding guaranteed by the project itself. He stated when the loan comes in, if the savings are not met, JCI eats the cost. He then asked if there were any questions ?

There were none.

Mayor Knowles then thanked Mr. Hogan.

Board member Curtis stated the information that Supt. Gray brought to the meeting tonight emphasizes the need not only for the filter project, but also for the upgrades. He added the problem is beyond the filters, they need to look at the overall project and not piecemeal this thing. He added it should be done and done right, they should allow for future growth and feel comfortable that they will have water tomorrow, even they do not have growth.

Mayor Knowles questioned the filters that have already been purchased, what if they are not needed ?

Board member Curtis replied he believes those are included in the overall design.

Supt. Gray added they are package units and they can be sold if not needed.

Mayor Knowles added, at a loss.

Supt. Gray replied yes, that is true, but added U S Filter recommended these filters, they are an ideal fit for the situation, they also have room for five.

Board member Curtis added they could always sell them, but it is part of the plant to use them.

Supt. Gray agreed and added as far as he knows yes, that is the plan.

Mayor Knowles stated she hopes so, if not, that will be a loss.

Mr. Honeybrink of JCI stated the intent is to use those filters, though there is a slight chance they would not.

Mayor Knowles asked the capacity of the filters purchased ?

Mr. Honeybrink 4 to 4.4 MG.

Board member Curtis replied enough to satisfy their current need, if they need more, that is included in the guarantee.

Mr. Honeybrink agreed.

Attorney Higgins had questioned the engineering work already done by MAI, wondering if that was still viable and MAI says yes, the city can still use that, it is not a lost commodity, it is include in the overall project.

Mayor Knowles stated she asked that very question at the last meeting, but Attorney Higgins was not present to answer.

Attorney Higgins stated the PDA they have before them needs to be fine tuned now before they proceed, but she has met with JCI and they are willing to do that. She added the scope remains the same.

Board member Curtis moved the Utility Board moved forward with the PDA with JCI.

Seconded by Board member Askren.

Mayor Knowles stated all those in favor of the motion should signify in the affirmative; and following the vote, she reported the motion carried unanimously.

Mayor Knowles stated she would like a copy of the PDA once it is in final form.

Attorney Higgins stated based on action just taken by the Board, they must not take action on the bids for the filters. She added they need to be rejected at this time as they have now been put into a larger project.

Board member Curtis moved the bids received for the filters be rejected. Seconded by Board member Askren.

Mayor Knowles stated all those in favor of the motion should signify in the affirmative; and following the vote, she reported the motion carried unanimously.

Attorney Higgins continued by stating several months ago, a draft water study was done by London Witte concerning a water rate study. She added she received those results late Friday afternoon and the Board was then sent those results. She added as they can see, the current rate structure cap at 500,000 gallons, tiers now need to be created for their larger users. She reminded the Board this study was for discussion purposes only, no action needs taken at this time, but Aventine will need some guidance immediately concerning their funding.

Board member Curtis stated this is the perfect opportunity for them to move forward.

Board member Tucker stated rates, once locked in.....down the road the residents will end up picking up the lion's share of this. He agreed it is a great opportunity, but once they decide on a rate, they are still not raising the bottom up any so there is no discrimination. He added currently residents pay \$5.87 per 1000 gallons of water, commercial users only pay \$.31 for the same amount.

Attorney Higgins agreed but added everyone pays the same on the first 3,000 gallons, it is only after that the rates start to differ.

Board member Tucker stated he understands that.

Attorney Higgins stated everyone is treated equally, the city is required to have just and reasonable rates. She added right now, they have no users even close to what Aventine will use. She stated once the rates are set, they can proceed with the \$2.5M project and not have to raise rates for the users, which would be a first to get work of this magnitude done with no raise in rates.

Board member Curtis agreed and added especially with built in maintenance and upgrade work as well. He added they should have a substantial amount of money available for preventive maintenance.

Board member Tucker stated any time they start talking about increasing rates, it gets him up.

Board member Curtis agreed and added that London Witte says this is what they city needs.

Attorney Higgins added they will now need to work on a term sheet and as a part of that, they will want to include a guarantee from Aventine that they will continue to be a user, at this capacity; and a thank for the \$500,000 donation. She added they should include that Aventine will at least be a user for the term of the bonds.

Board member Curtis stated that is a good idea, they don't want Aventine to build their own water plant.

Board then consented to move forward with the Aventine term agreement.

Mayor Knowles asked if anyone in the Audience wished to address the Board ?
Regis Palmer with A & R Environmental approached the podium and stated he would like to thank the city, the Water Utility Board, Supt. Gray and crew for their work at the Walnut Grove Trailer Park. He added there was arsenic in their water and Supt. Gray got with the Utility Board to allow a temporary line to be run to the trailer park. He added they now have drinking water and the city has another client – thank you !

Mayor Knowles asked if anyone else wished to address the Board ?
There was no response.

Mayor Knowles asked if there was any New Business ?
There was none.

Mayor Knowles asked if there was any New Business ?
There was none.

Mayor Knowles stated if there were no further business, she entertains a motion to adjourn.
Board member Askren moved the meeting be adjourned. Seconded by Board member Curtis.
Mayor Knowles stated all those in favor of the motion should signify in the affirmative; and following the vote, she reported the motion carried unanimously and adjourned the meeting.

Rosemary L. Knowles
Mayor

ATTEST:

Cristi L. Wolfe
Clerk-Treasurer

August 27, 2007

The Common Council met immediately following the Water Utility Board on the above date in the Meeting Room at City Hall Annex with Mayor Knowles presiding and members Askren, Tucker, and Curtis attending. Councilmen Rueger and Cooper were not present. Others attending were Attorney Higgins; Chief Beloit; Comm. Epison; Supt.

Givens; Andy and Nancy Hoehn; Roy Maynard; Cecil Waters; Becky Higgins; Jim Powers; Larry Williams; Ed and Glenda Adams; Kay Kilgore; Ann Blackburn; Sis Claxton; Dave and Judy Whitten; Geneva James; Mike Labitzke; Tiffani Thompson – Mount Vernon Democrat; and arriving during the meeting, Ryan Harms.

Mayor Knowles called the meeting to order by stating members were either mailed or hand carried copies of the minutes of their previous meeting and by asking if there were any corrections or additions. She added if not, she entertains a motion to waive their reading and to approve the minutes as presented.

Councilwoman Askren moved the reading of the minutes be waived and they be approved as presented. Seconded by Councilman Curtis.

Mayor Knowles stated all those in favor of the motion should signify in the affirmative; and following the vote, she reported the motion carried unanimously.

Mayor Knowles reminded the Audience that anyone wishing to address Council should approach the podium and state their name and the nature of their business.

Mayor Knowles stated they will now hear the reports of the Standing Committees.

Street & Light Chairman Rueger was not present.

Comm. Epison stated he has no report.

Mayor Knowles asked if there were any questions ?

There were none.

Police & Dog Chairman Curtis stated he has no report.

Chief Beloit stated he has no report.

Mayor Knowles asked if there were any questions ?

There were none.

Fire Chairwoman Askren stated she has no report.

Mayor Knowles stated Asst. Chief Harms had to leave to go on a run. She then asked if there were any questions ?

There were none.

Sewer Chairman Tucker he has no report.

Supt. Givens stated he has no report.

Mayor Knowles asked if there were any questions ?

There were none.

Mayor Knowles stated they have the Financial Report before them and any questions could be directed to Clerk-Treasurer Wolfe.

Mayor Knowles asked if the Clerk-Treasurer had any Communications for the Council?

Clerk-Treasurer Wolfe stated she will more than likely have at the next meeting a Resolution to transfer, as they are running out of places to “rob Peter to pay Paul”. She asked for guidance from the Council as to where to obtain the funds, the pension funds

are available, and of course, enough money would be left there to pay the pensioners, as required by law, but there is also always the chance the pension boards would not allow the loan. She mentioned the Rainy Day Fund – this is for emergencies, and this, she believes would qualify. She also stated at that same meeting she may also need to ask for permission to contact the Indiana Bond Bank and other local financial institutions, to obtain quotes on a short term loan. She further stated she met with Department of Local Government Finance last Thursday, and based on having NO information to go on, DLGF indicated she had done the best she could at this point. She then stated Attorney Higgins informed her the Governor had stated no budgets 3.4% over the cost of living increase would be approved – in that case, next year, their budgets may need to be cut. This information, she stated, is even known to them at this time. It is really all up in the air right now, they will all have to just sit tight and wait and see.

Mayor Knowles mentioned the Bulkley annexation east of town, there are parcels there, and if the proper forms are filled out, could possibly bring in extra revenue. She added she spoke with Mr. Janak about this, due to a conversation they were having about the possibility of a new police and fire station. She added money is going to be tight and they may want to consider this; Mr. Janak thought it could be a substantial amount, around \$13M on assessed value.

Attorney Higgins stated she has also given everyone copies of a press release concerning the reassessment. She added this will also effect additional appropriations; she realizes the police department wants to purchase a new vehicle, but there is a possibility that may not be approved as well. She stated she knows Clerk-Treasurer has been looking for funding and possibly Department Heads, etc. could get with her and the Council when they start to see they are strapped and may have trouble meeting their bills.

Councilwoman Askren stated she has no problem using the Rainy Day Fund as a source for temporary loans.

Councilman Curtis agreed and stated it seems the clouds are gathering.

Clerk-Treasurer Wolfe thanked them for their guidance.

Asst. Chief Harms arrived at the meeting.

Mayor Knowles stated the first item on the Legal portion of the Agenda is the 2nd reading of the proposed Ordinance of Temporary Amendment to Schedule IV: One Way Streets of Chapter 74: Traffic Schedules of the Mt. Vernon Code of Ordinances.

Councilwoman Askren moved ordinance pass second reading. Seconded by Councilman Curtis.

Mayor Knowles asked if there was any discussion ?

There was none.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren – yes; Tucker – yes; Rueger – absent;

Curtis – yes; Cooper – absent.

Mayor Knowles stated the motion carried.

Mayor Knowles stated the next item is the 1st reading of the Ordinance amending the Peddler Permit Ordinance.

Council agreed to table, they had not received a copy.

Mayor Knowles stated next is the 1st reading of the Ordinance Establishing Salaries and Wages for Employees and Appointed Officers of the City of Mount Vernon, IN for the Year Ending December 31, 2008.

Councilman Curtis stated a few weeks back, they did an ordinance reducing a salary but in doing so, giving the job a different title since salaries can not be lowered during the year. He asked if this ordinance sets the MAXIMUM salaries, what happens if the state comes in and cuts the budgets ?

Clerk-Treasurer Wolfe replied that if the state requires that, a reduction of appropriations ordinance will be prepared and this ordinance amended. They will not have choice.

Attorney Higgins agreed and added this law is in place to prevent lowering wages as a punishment, per se. She further added they can never increase an elected official's salary in the middle of the year as well.

Councilman Curtis moved the ordinance pass on first reading. Seconded by Councilman Tucker.

Mayor Knowles asked if there was any discussion ?

There was none.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren – yes; Tucker – yes; Rueger – absent;

Curtis – yes; Cooper – absent.

Mayor Knowles stated the motion carried.

Mayor Knowles stated next on the Agenda is the 1st reading of the Ordinance Establishing Appropriations and Tax Rates for the Year Ending December 31, 2008.

Councilwoman Askren moved the ordinance pass first reading. Seconded by Councilman Curtis.

Mayor Knowles asked if there was any discussion ?

There was none.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren – yes; Tucker – yes; Rueger – absent;

Curtis – yes; Cooper – absent.

Mayor Knowles stated the motion carried.

Mayor Knowles stated the next item is the 1st Reading of the Ordinance Establishing Salaries for the Elected Officers of the City of Mount Vernon, for the year 2008, Payable from the City, Water and Wastewater Utilities. She then asked if there were any questions ?

There were none.

Councilwoman Askren moved the ordinance pass first reading. Seconded by Councilman Curtis.

Mayor Knowles asked if there was any discussion ?

There was none.

Mayor Knowles requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren – yes; Tucker – yes; Rueger – absent;
Curtis – yes; Cooper – absent.
Mayor Knowles stated the motion carried.

Mayor Knowles stated the final time is discussion of an ordinance amending the city curfew ordinance.

Attorney Higgins stated Attorney Funkhouser had asked her to take this over and she drafted a letter to the Council of her opinion. She stated they can amend their ordinance but they will never be able to enforce it in a way that the police department would feel is productive. The police can not detain, take home, or hold a juvenile while parents are called. She added they can change the time in the ordinance, and if caught, violators will be issued a ticket to juvenile court probation department, but that is about it. She then stated there are nine defenses to “being out”, the city can’t change that which makes enforcement impossible.

Councilman Curtis stated they talked at the last meeting about the possibility of a fine being imposed and payable through the Clerk-Treasurer’s Office, but the way he understands it, there would be no consequences because the prosecutor’s office isn’t interested in prosecuting those cases.

Attorney Higgins again stated the same nine defenses would still apply. She added the city can not violate someone’s First Amendment Rights, and therefore, the case would never even get to the fine. She also added the defenses are very biased.

Councilman Curtis stated since he has been on the Council, lots of folks have talked to him about this issue. He added they are afraid if something isn’t done, kids could get seriously injured, or even wind up dead.

Councilman Tucker stated Councilman Rueger was looking into because of those issues, and that is why he was looking to possibly “go in the back door” on this issue. He added not are there bodily injury concerns, but when kids get bored, vandalism goes up.

Councilman Curtis stated he does not feel the Council can go any further on this issues.

Attorney Higgins agreed and added unfortunately, she cant give the Council a different ordinance with more “teeth” in it.

Mayor Knowles stated listed on the Agenda under Audience is Dr. Rice with a request for a handicapped parking space.

Dr. Rice was not present.

Mayor Knowles asked if anyone else wished to address the Council ?

Ed Adams approached and stated he would like to update the Council on the Police & Fire Station Building Committee by first thanking them for putting him on the committee. He added they met on August 16, 2007 and discussed some concerns and then routed the facility. He stated they were all in agreement that the facility needs replaced, and estimates they currently have are between \$2.7 and \$3.2M. He added the committee will be talking to prospective property owners about buying property for the new location, discussing the design, etc. He added he will have more to report at the next meeting, he just wanted them to know that they have met.

Councilman Curtis stated he need only report to the Council when there is some progress made, instead of reporting at every meeting.

Mr. Adams stated that was fine, just wanted them to know again, that they had met finally and they had some good ideas.

Councilman Curtis thanked Mr. Adams for the update.

Mayor Knowles asked if anyone else in the Audience wished to address the Council ?
There was no response.

Mayor Knowles asked if there was any Old Business ?
There was none.

Mayor Knowles asked if there was any New Business ?
There was none.

Mayor Knowles stated they will now hear the reports of the Districts.

1st District Councilwoman Askren stated she has no report.

2nd District Councilman Tucker stated he has no report.

3rd District Councilman Rueger was not present.

4th District Councilman Curtis stated he has no report.

Councilman-at-Large Cooper was not present.

Mayor Knowles stated if there were no further business, she entertains a motion to adjourn.

Councilman Curtis moved the meeting be adjourned. Seconded by Councilwoman Askren.

Mayor Knowles stated all those in favor of the motion should signify in the affirmative; and following the vote, she reported the motion carried unanimously and adjourned the meeting.

Rosemary L. Knowles
Mayor

ATTEST:

Cristi L. Wolfe, Clerk-Treasurer